

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
EXPRESS MAIL , PRIORITY MAIL & FIRST-CLASS
PACKAGE SERVICE
EXPRESS MAIL , PRIORITY MAIL & FIRST-CLASS
PACKAGE SERVICE CONTRACT 1

Docket No. MC2012-46

COMPETITIVE PRODUCT PRICES
EXPRESS MAIL , PRIORITY MAIL & FIRST-CLASS
PACKAGE SERVICE CONTRACT 1 (MC2012-46)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2012-55

**RESPONSES OF UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 1**
(September 20, 2012)

The United States Postal Service hereby provides its responses to Chairman's Information Request No. 1, issued September 14, 2012. The complete responses have been filed under seal. The Postal Service herein incorporates by reference its Application for Non-Public Treatment in this docket, for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
By its attorneys:

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September 20, 2012

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 1

1. The Public Representative's comments point out that the contract contains an unexplained "discount." See PR Comments at 2; see *also* Summary_Analysis_public.xls. Please explain this discount and how it will affect the cost coverage of the overall contract during each of the 3 years of the contract.

RESPONSE:

[FILED UNDER SEAL]

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 1

2. Is it possible for this discount to change during the life of the contract? If the discount could change during the life of the contract, please demonstrate that the contract would still cover its attributable cost. In doing so, please provide the electronic spreadsheets showing the calculations and the sources for data input.

RESPONSE:

[FILED UNDER SEAL]

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 1

3. Please explain Term I.D. of the contract and how it may affect the contract's cost coverage during each of the 3 years of the contract.

RESPONSE:

[FILED UNDER SEAL]